

## **Summary of a Common-Sense Republican SCHIP Solution**

In General: Upon enactment of this Act, the Secretary shall implement within 2 years a program to ensure that American children have high-quality health coverage that fits their individual needs.

Section 1. Funding for the SCHIP program is appropriated \$7.78 billion in FY2009 and \$8.044 billion in FY2010.

Section 2. Criteria for eligibility include:

- 1) Children eligible for Medicaid or SCHIP below 300% of the poverty level; and
- 2) Uninsured children whose family income is less than 300% of the poverty level.

Section 3. Benefits. Private plans under the program must offer coverage/benefit options outlined under Title XXI: a benchmark benefit package, a benchmark actuarially equivalent package, or any other health benefits plan with appropriate coverage. Total annual aggregate cost-sharing shall not exceed 5 % of a family's income for the year involved.

Section 4. Reimbursements. Reimbursements shall be competitively bid among private health plans for the purpose of covering eligible children. Payments to plans shall be risk-adjusted. The Secretary shall ensure that at least 2 plan options are available to every eligible child.

Section 5. Enrollment. The Secretary shall establish a fair and responsible process for enrollment, disenrollment, termination, and change of enrollment. The Secretary shall disseminate clear information for initial enrollment.

Section 6. Consumer Protections. Plan sponsors shall provide clear information on plan benefit structures and coverage. Plan sponsors must have meaningful procedures for hearing and resolving of any grievances between sponsors and enrollees and an independent review and appeals process for coverage denials.

Section 7. Geographical Access and Quality. The Secretary shall establish state-wide plan regions or other appropriate regions in order to maximize competition and access. Plans must meet state licensure requirements and ensure market-based rates for provider reimbursements.

Section 8. Option for Assistance with Employer-Sponsored Insurance. The Secretary may establish procedures to provide premium assistance for children with access to employer-sponsored insurance.

Section 9. Financing. The Federal government and States shall maintain their appropriate and equitable share of plan premiums. Payments to specific states shall be more equitable and administrative costs would be reduced. In the case that there are additional outlays incurred by this program, they shall be offset by making government spending more accountable and efficient, and ending wasteful and duplicative government spending.